THREE LOST IN HOTEL FIRE.

BODIES OF THE MARTIN FAMILY IN MARANCOOK RUINS.

Parents Die Trying to Save Sen-Hetel Clerk Saves Many Persons and Is Himself So Badly Hurt That He May Die -W. J. Maxwell of Brooklyn Injured.

MARANCOOK, Me.; Aug. 26.—As the result of the burning of Hetel Marancook early this morning three people lost their lives and a fourth, a young man, who for the second time within thirty-six hours proved himself a hero, is lying at a cottage here

It was not known until this forencon that any lives had been lost, but in hunting over the ruins three charred bodies were found which proved to be those of Mr. and Mrs. E. A. Martin of Roelindale, Mass., and their six-year-old boy, Spencer. The hero of the occasion is Robert Dewey Boutwell, 17 years old, of Malden, Mass., who was clerk in the hotel. He is suffering from burns and is believed to have contracted

Nearly 100 guests were in the hotel and many were forced to jump, scantily clad, from the windows. The fire, which is believed to have been caused by a defective flue, spread with such rapidity that the guests lost nearly all their clothing and other personal effects.

Mrs. W. J. Maxwell of Brooklyn lost jewelry valued at \$700, and her husband sprained his ankle by jumping. Mrs. George H. Hassan of Needham, Mass., has a broken leg and a sprained ankle. Her condition is serious. The fire was discovered by a train crew

and they gave the alarm. As soon as Bout-well was awakened he rushed through the corridors rapping upon the doors to arouse the guests. In response to his ories, "The house is all afire. Hurry up or you will be burned alive," the guests rushed from their rooms and began their desperate efforts to escape from the building, which was rapidly being consumed. The corridors were filled with smoke, and the flames swept up the stairways, so that all guests above the second floor were forced to escape by jumping from the windows.

When Boutwell rushed from the hotel he was hit on the head by a grip thrown from an upper window. The blow knocked him down. When he revived he ran three times through the flames and smoke and assisted in the rescue of several persons. Several times he ascended a ladder and then, by clinging to the window sill, lifted some half suffocated person to a place of

The Martins lost their lives in an attempt to save their boy, who became panic stricken and would not jump from the window. They occupied rooms next to the Maxwells. The Maxwells heard the Martins telling their boy to jump. The little fellow screamed in terror and ran out into the hall. The father and mother rushed after him. The smoke in the hall was dense.

They rapped on the door of the Maxwells' room and then oried eqt; "We're stiffing!" The Maxwells opened their door, and as they did so a dense volume of smoke folled in upon them. That was the last they saw of the Martins. Mr. Mazwell let his wife down with a blanket and he

Boutwell's work this morning was the second demonstration of bravery by him in thirty-six hours. On Tuesday night Miss Margaret Herman was in a small boat, which was struck and demolished Herman into the water. She was unable senger on the steamer, dived from the rail and went to the rescue of the drowning girl, who was almost exhausted by her efforts to keep above the water. Boutwell face until assistance reached them from the steamer. He is preparing for college at Colby Academy and is an excellent

HELD UP BY SOLDIERS.

Yacht Captain Says They Knecked Him Out and Robbed Him-Two Held.

NEW ROCHELLE, N. Y., Aug. 26.—Privates Patrick Kane and John A. Sullivan of the Eighth United States Infantry at Fort Slocum were held to-day by Police Judge Van Auken for the Grand Jury on the charge of highway robbery. The complainant was John Olsen, captain of the yacht Rosemary, owned by Converse D. Marsh. He was set upon about 1 o'clock this morning at the New Rochelle dock by a gang of soldiers, who threw him down and gagged him and went through his pockets. The soldiers took his month's pay and left him uncon-scious. Privates Kane and Sullivan were arrested and Olsen identified them as two of his assailants. Both denied that they had anything to do with the robbery.

TRAIN KILLS W. E. STONE.

Architect Is Run Down at Princeton June

PRINCETON, N. J., Aug 26.-William, E. Stone, a New York architect, with officer at 55 Broadway, was found dead on the tracks of the Pennsylvania Railroad Princeton Junction about midnight last night and it will probably never be known how he was killed.

Mr. Stone, who had considerable business here, was detained longer than usual in Princeton yesterday, and in order to get a train for New York was obliged to hire a cabman to drive him three miles to Princeton Junction. The train had to be flagged, and after landing his fare at the platform Gabriel, the cabman, tied his horse under a nearby shed and returned to the station to set the signal.

Mr. Stone had disappeared, and the cabman, thinking he had gone to the tower, some distance up the tracks, made inquiries there, but Mr. Stone had not been seen. As Gabriel came out of the tower a night watchman came up.

"There's a man's leg lying on the tracks at the depot; I wonder where it came from?"

The cabman, accompanied by the night watchman, searched the tracks and finally found the mangled trunk. But for a letter in his nocket recognition would have been impossible. How Mr. Stone came to be killed is a mystery, but it is thought that he walked across the tracks instead of taking the tunnel, lost his bearings in the dark

Friends in Princeton were at once notified, and the body was snipped to New York this afternoon. Mr. Stone leaves a widow and child and two brothers, who live in

ATLANTA'S MAYOR DEFIANT.

Majority of City Council Said to Be in Payor of Woodward's Impeachment. ATLANTA, Ga., Aug. 26.—The Common Council of Atlanta is preparing a warm reception for Mayor Woodward, who made scene at the municipality convention in Toledo. This afternoon it was decided to hold a special meeting of the Council on Monday, when Mayor Woodward is expected to reach home. The special meeting is called for the purpose of considering the conduct of the Mayor, and it is said that a majority of the Council is pledged to work for the impeachment of Woodward.

The Mayor was still in Toledo this afternoon and wired a message of defiance which has increased the dignation. Evidence is being procured from officers of the Municipal League who witnessed the outbreak of the Mayor to support an impeachment charge,

Sentiment in favor of ousting the Mayor is general. Versing this sentiment, the Atlanta Journal this afternoon says:

"There would be no disposition on our part to curtail the Mayor's bibulous pleasures so long as he worshiped Bacchus in private. If he gets drunk in his private capacity it is his own business chiefly. But in this case he was representing Atlanta, and the Council should call him to account for his failure to uphold the dignity and prestige of Atlanta. Atlanta wanted the League of American Municipalities to meet here next year. Is it any wonder, after the scene created by Atlanta's inebriated Mayor, that the proposition was turned down as a rather humorous proposal? Woodward has forced Atlanta to share his disgrace before the eyes of all the world, and the Council should

GIRL GOES TO OLD MAN'S AID.

Drags Him Out of Runaway's Path and He

Is Not Badly Hurt. Robert Schalkenbach of 201 West 120th street, driving in a runabout along Central Park West last evening, turned the horse so sharply into Seventy-second street that a trace broke The animal dashed at full speed toward the river and at Columbus evenue swung the runabout against Louis S. Mack, an infirm man of 68 who lives with his wife, a sister of Al Hayman, at 102 West Seventy-second street

Mr. Mack sustained a bad scalp wound and was made unconscious. His injuries would have been much more severe had it not been for aid promptly rendered by Miss Catherine Lawrence, 17, who lives at 104

West Seventy-second street. Miss Lawrence noticed the horse bearing down upon the old man before he was aware of his danger. Darting to him, she took hold of his arm and pulled him far enough from harm's way so that the horse missed him. With the aid of Thomas Bell of Riverside Drive and Seventy-second street Miss Lawrence then carried him to

a drug store.

The injured man was taken to Roosevelt I. He was able to leave for home efter his wound was dressed.

PLOT OF ANTI-M'CARRENITES.

Senator's Fees Are Talking of Running an Independent Local Tick et.

The latest exciting political rumor in Brooklyn points to the possible placing in the field of an independent Democratio local ticket by the anti-McCarren forces. It is admitted on all sides that the recent efforts of Senator McCarren to harmonize the warring elements in that organization wart disturbing s on primary day have failed and that the factional hostilities will be continued in more than half the Assembly districts.

Without even waiting the result of the primaries, some of the leaders in the anti-McCarren camp are discussing the question of putting up a candidate of their own for Borough President as well as candidates for each place on the county ticket, although such a scheme would probably land the Republican candidates in all these places. It is their opinion that the loss of the local patronage to Senator McCarthe local patronage to Senator McCar-n would materially aid in his overthrow the leader of the organization, which sy declare they are bound to accomplish en if two or three more years are re-

even if two or three more years are required on the job.

Senator McCarren learned yesterday that his proposition to bring the Democratic malcontents in the Twenty-first Assembly district, of whom Magistrate Henry J. Furlong is the leader, into the camp of James P. Sinnott, the regular manager in that district, had been rejected manager in that district, had been rejected by the former and that the factional fight in the district is to be renewed. "War after Monday, Aug. 28," was the defiant announce-ment made yesterday by Magistrate Fur-

The Republican managers are naturally much interested in this division in the ranks of the enemy, and if the breach remains unhealed until the time for making nominated the control of th mations arrives strict party candidates will be named for each local office, fusion being confined to the three names on the

PRIEST DECOYED AND ROBBED. Held Without Food Until He Signed Paper

CLEVELAND, Ohio, Aug. 26 .- Upon the statement made to the police by the Rev. Benedict Rosinski, a Catholic priest of St. Stanislaus's Church, that he had been held prisoner for twenty-four hours without food and forced to sign two notes for \$500 each and two checks for like amounts which had since been cashed, besides being robbed of \$30 and some jewelry two men and a woman were arrested to-day The and a woman were arrested to day The woman is said to have lured the priest to her room in Cedar avenue by pretending to be ill and in need of spiritual consolation. The men are said to have rushed in upon them and beld Father Rosinski prisoner until he had satisfied their demands. Father Rosinski says he received two telephone messages on Thursday urging him to call upon Jennie Olenski. He had been there only a few minutes when Julye

there only a few minutes when Julye Tuszynski rushed in and, declaring himself to be the woman's flance, demanded that the priest give up \$4,000 for alienating her affections. the priest give up \$4,000 for alreading ber affections.

With Tuszynski was Leo Czechowski, and both of them, according to Father Rosinski's story, started to beat him and tear his clothes from his back when he refused to give them any money. His jewelry was taken from him as well as \$30 and he was detained as a prisoner for twenty-four hours without food or drink until he consented to sign the checks and notes. These checks were cashed by Tuszynski and the woman, it is said.

Unon the return to the room with the

Upon the return to the room with the

three arrests were made.
The two notes and \$819 were found under a carpet in the woman's room. The prisoners, charged with robbery, were bound

200.05 TO COLORADO AND RETURN,

MAN ACCUSES HER OF STEALING

HIS POCKETBOOK.

Has Her Arrested on Elevated Train, and Then Withdraws Complaint-Woman Had Sat Next to Him-Missed Wallet -Helds Up Train to Have Arrest Made.

Mrs. Florence M. Jackson of Sixteenth Wallace streets, Philadelphia, was arrested at the Ninety-ninth street station of the Third avenue elevated road last, night charged with stealing a pocketbook containing \$27 from Alfred Cashner of 2078 Madison avenue. She was taken to the East 104th street police station by Detective Gordon, but Cashner withdraw his complaint and she was released.

Mrs. Jackson, who is a widow, was returning from Bay Shore, L. I., with Mrs. M. T. Patterson of 1826 North Park avenue Philadelphia, and David F. White of \$14 West 126th street, who was a clerk under Mayors

Grace and Cooper.

They had been staying at Mr. White's summer home at Bay Shore, and got on the elevated train at Thirty-fourth street. Mrs. Jackson sat next to Cashner. Mrs. Patterson and White sat on the other side of the car, directly opposite.

At Forty-second street Mrs. Jackson crossed over and sat with the other two. Cashner felt for his pocketbook and found that it was gone. Jumping to his feet, he pointed to Mrs.

"You have stolen my pocketbook."

"Is this a joke?" asked Mr. White. "If a oke, it's one you will pay for dearly. This ady has no need to steal your pocketbook; she has plenty of money.

Cashner insisted that Mrs. Jackson had sat next to him, that he had the pocketbook when he sat down and that Mrs. Jackson must have taken it. Cashner insisted on the guard stopping the train until a policeman could be found to arrest Mrs. Jackson. The car was well filled and passengers became excited.

At Eighty-ninth street the motorman began tooting a distress signal, and when the train pulled into the Ninety-ninth street station there were nine policemen and several detectives waiting. A large crowd had gathered in the street, expecting that returning baseball enthusiasts had been rioting on the train.

Cashner told the police his story and Detective Gordon arrested Mrs. Jackson. At the East 104th street station house Mrs. Jackson demanded that she be searched. Capt. Brennan asked Cashner if he had seen or even felt Mrs. Jackson take the pocketbook. Cashner admitted he had not, and was finally persuaded to withdraw his complaint.

A large crowd had gathered outside the station house and Mrs. Jackson became frightened and then hysterical. After the police had cleared the crowd she left with Mr. White and Mrs. Patterson.

FAR ROCKAWAY BEACH SOLD. New Yorkers Pay \$500,000 for It and Will

Spend as Much in Improvements. Samuel Green, a real estate operator, of 35 Nassau street, Manhattan, with Maximilian Morgenthau, president of the Hudson Realty Company; Samuel Jacobs, treasurer of the same company, and Senn Bros., closed a deal yesterday in which they purchased from James Caffrey 1,500 feet of ocean front in Far Rocksway, thirty acres of Kuloff Hotel and five cottages for \$500,000. The property takes in the entire beach

bathing houses. The new syndicate will tear down the bathing houses and erect one of the largest bathing pavilions in the United States. It will also put up another big hotel, lay out a fifteen acre park, and erect ten private iwellings. These enterprises will involve an outlay equal to the sum paid for the property. Mr. Caffrey inherited the property from his father. It has been in the possession of his family for a hundred

front of Far Rockaway, and includes 8,000

SURE TO GET ALL SIX OF HIM. Police Chief Has Made Five Arrests From

Special Cable Despatch to THE SUN. PARIS, Aug. 26.-The supporters of M. Bertillon and his system of identification of criminals are rejoicing over a conspicuous failure recently of photography he Paris police recently wanted a missing thief and had proofs made of six photographs of the criminal, taken in different positions. The various police stations in

the country received sets of the photo-

Shortly after the receipt of the photographs one local chief in a small town wrote s follows to the headquarters in Paris: Photographs of the accused persons duly hand. I am happy to inform you that have arrested five of them, whom I am retaining in cells. I am on the track of the sixth, and will certainly capture him before long."

PREY ON AMERICAN MOTORISTS.

-Peasants Stone Touring Autos

Special Cable Despatch to THE SUN. London, Aug. 26.-American motorists complain of the treatment they have remotor craze has broken out. All of them report narrow escapes from injury at the hands of Swiss peasants, men and women, who bombard the motorists with stones woman farmer rushed at a car with a pitchfork and the chauffeur received a serious wound in the arm while trying to protect

The Swiss authorities are likewise animated by animosity toward the motorists, and the American Consul at Bern in one week received twenty-one complaints.

Americans have been fined as high as 500 france for excessive speed when they were not proceeding at more than four m hour. A particularly outrageous case was that of a motor car which followed a hay cart for miles, when it was stopped and a fine of 300 francs imposed. As half of the fine goes to the prefect of police there is little likelihood of this practise stopped.

DEWEY'S GRAPE JUICE AND CLARETS

IOWA WAS IN COLLISION, TOO. ODD CHARGE AGAINST WOMAN. Battleship Ran Into the Brenton Reef

NEWFORT, R. I., Aug. 26.—In the thick fog which prevailed off Newport on Thurs-day last in which the battleship Kearserge collided with the schooner Gallop, the battleship Iowa was also in collision, this fact being made known to-day when Capt. Fogarty of the Brenton Reef lightship came to the city for the first time in a week. Capt. Fogarty says that about five o'clock on Thursday afternoon, when the fog was the thickest, the battleship Iowa ran down the lightship, striking her on the bow and carrying away the stem of the lightship seven feet above the level of the sea; also carrying away the head stays. The blow was a glancing one or the lightship would have been sunk.

The lows was running at five knots a the time, and after clearing the lightship stood in toward Brenton's Reef. The fog was so thick that those on the lightship could not hear the whistle of the battleship and it is presumed that the lightship's whistle could not be heard on the battle ship. Capt. Fogarty says that it will be necessary to take his vessel off the station at once to make repairs.

E. J. STACHELBERG CHALLENGED To a Duel by a Reader in His Tampa Fac-

tory-He Will Ignore the Invitation. TAMPA, Fla., Aug. 26.-Edgar J. Stachelberg, a member of the cigar manufacturing firm of M. Stachelberg & Co., operating factories in New York, Tampa and Key West, and who married Millie James, the actrees, has been challenged to a duel by J. Buttari, a reader in his factory here Buttari publishes his challenge in lurid terms in to-day's issue of El International, the official organ of the Spanish speaking cigarmakers of this city.

On Thursday Buttari was reading to cigarmakers in the Stachelberg factory extracts from the alleged anarchistic paper Tierra published in Havana, in which violent language was used against Tampa cigar manufacturers and in which cigarmakers were urged to go on strike.

Stachelberg ordered the reading of such literature stopped. The cigar makers made a demonstration and demanded that their reader be allowed to read anything in print. The demand was refused and all the 300 men walked out. Stachelberg will pay no attention to the challenge. Police were placed about the factory to-day to prevent disorder.

FOR NEW SOUTH AMERICAN PORT. United States Capital to Have Some Share in \$40,000,000 Project.

Special Cable Despatch to THE SUN. London, Aug. 26.-Americans are now taking a hand in what is probably one of the biggest schemes ever proposed for the derelopment of South America. The port of Buenos Ayres being too shallow to admit big steamers, a concession was recently granted to Arturo Castano for the construction of a new port in the Bay of Samborombon, afty miles toward the Atlantic along the

River Plate.

The scheme involves an expenditure of about £8,090,000. Most of this amount has already been underwritten in Paris. The advanced £1.500.000 for the construction of the port, the contract for which has been undertaken by the firm of Wills of Man-Separate subsidiary companies are now being formed for reclamation works, the construction of a canal and township and a big system of railways, which will radiate inland in all directions

nishing electric lighting and power, over which it is understood the General Electric Company will assume control.

WARRANT OUT FOR MADDEN.

Sentenced to Serve Thirty Days and Pay \$250 for Contempt-Deputies After Him. John E. Madden, the well known turfman, was adjudged guilty of contempt of court by Supreme Court Justice Burr in Brooklyn yesterday and sentenced to serve thirty days in jail and to pay a fine of \$250 for failing to obey an order of the court. This directed him to appear before a commissioner in Saratoga county and give testimony in a suit for divorce brought against him by his wife, Annie Louise Madden. in the Ohio courts.

tion regarding her husband's income, and a commission was appointed to take his testimony in Saratoga county, but Mr. Madden, acting on the advice of his counsel, refused to be sworn. Then the presen roceedings were taken to have him adudged guilty of contempt of court.

While Mrs. Madden is suing her husband for a divorce in Ohio he is also suing her for a divorce in Kentucky, where he alleges he has a legal residence. A bench warrant was issued for Madden's arrest. It was given to Sheriff Hesterberg to serve, and o look for Mr. Madden.

SPECIAL INSPECTOR FIRED.

George F. Wilson Impeached in the Se

WASHINGTON, Aug. 26.—Special Inspector George F. Wilson of the Interior Department was dismissed to-day by Secretary Hitchcock on account of disclosures made during the investigation of the charges against Senator Mitchell of Oregon.

Some of the witnesses examined during that investigation testified that Wilson had promised for a consideration to make favorable recommendation in some land cases in which they were interested, one of them declaring Wilson had been paid \$200

Wilson admitted to the authorities that he had received the money, but declared that he had taken it to entrap the man, and the amount was to be returned to him. This explanation was not considered satisfactory, and Wilson was removed. He was appointed from Rhode Island.

SENATOR PLATT'S CLAMBAKE.

Summer Lodge-Mrs. Platt Assists. MIDDLETOWN, N. Y., Aug. 26.—United States Senator Thomas C. Platt gave a clambake to-day at his Tioga summer lodge on the shores of Cromwell Lake, at Central Valley, Orange county. The bake the Senator's neighbors were present.

The bake was served on the lawn near the Senator's bungalow. Mr. Platt was

ROOSEVELT PLAN **BEFORE ENVOYS**

President Suggests Basis of Peace Which Keeps the Conference Open.

WILL MEET AGAIN MONDAY.

Has Strongly Urged Russians to Accept Japan's Offer of Sale of Sakhalin.

Roosevelt's Suggestions Said to Be Such as Would Beceive Support of All Neutral Powers-Czar Sald to Have Offered Half of Sakhalin Island and to Pay for Keep of Prisoners, but No Indemnity -Witte and Komura Talk Over Terms After Transaction of Routine Business.

PORTSMOUTH, N. H., Aug. 26.-The vital question of whether there shall be peace or war between Russia and Japan depends for settlement mainly on the amount of influence President Roosevelt can bring to bear upon the two belligerents. He does not hold the key to the situation, but to him belongs the credit of having prevented a rupture of the Portsmouth conerence which would mean a resumption of the Far Eastern hostilities.

Had it not been for the strenuous enleavors of the President the break would have come to-day. As it was, there has been an adjournment of the conference until Monday to give Mr. Roosevelt the opportunity of making further representations. PRESIDENT SUGGESTS BASIS FOR PRACE.

There is the highest authority for the tatement that the President has within the ast three or four days made a definite proposal to both Russia and Japan to be used as a basis for the adjustment of their differences. While the details of this important move on the President's part are not disclosed, it is admitted that it is of a character so entirely same and reasonable that the Powers of Europe would virtually insist upon its acceptance by the two warring nations if they knew of its character and

But for the present Mr. Boosevelt is working entirely with Russia and Japan. either of whom, however, is yet willing to bring forward the President's plan of settlement, partly for the reason that it is contrary to the basis upon which they have been negotiating and partly because, if the details of the matter became public, there would be an immediate insistence on the ents get together in accordance with the suggestions outlined from Oyster Bay.

The understanding obtained here with regard to the President's proposition is that it was made known to the respective envoys through their Governments. This appears to account for the positive statements of those in authority on the Russian side that Mr. Roosevelt confined his communications to the plenipotentiaries to a general tender of good offices and did not make any specific suggestions.

SITUATION FREELY DISCUSSED.

But whether the President in his direct exchanges with the envoys did or did not make any specific propositions is now a matter of no consequence in the knowledge that a plan prepared and indorsed by him has been placed before Mr. Witte and Baron Komura and has received the most serious consideration.

It is a fact, however, that in the week that has passed since President Roosevelt had his interview at Oyster Bay with Baron Rosen, Mr. Witte's colleague, the President has had a comprehensive correspondence by telegraph and through the medium of special messengers with both Russian and Japanese envoys, in which every point of difference was discussed in the minutest detail in a free and frank manner, and in this exchange of views the President did not hesitate to suggest what he regarded as essonable means for a common understanding on the part of the two belligerents.

PRESIDENT TALKS PLAINLY TO BUSSIANS. In his communications to the Russians setting forth his reason why there should be peace made at Portsmouth the President spoke plainly. He said with frankness that Russia had been beaten; and could gain nothing by going on with the

In the name of humanity he appealed for peace and made it clear that he believed the Japanese were showing a moderation which Russia should meet half way by assenting to buy back territory formerly belonging to Russia but now held by Japanese troops.

What more was said by the President, particularly that part of his proposal which is expected to meet with the approval of the world, will probably be disclosed shortly unless the belligerents manage to make up their differences and agree upon the terms of a peace treaty in the mean-

The Russians here are not pleased over the President's attitude. They hold that he has gone to great lengths in an effort to induce them to pay for the costs of the

All the evidence now at hand shows that the President did not for a moment aban-

don his efforts to clear away the obstacles that threatened the success of the Portsmouth conference.

THE ENVOYS HESITATE.

It is the great respect for his opinion and his enthusiastic endeavor to bring about peace that has caused the envoys, with the approval of the powers that be at Tokic and St. Petersburg, to hesitate in taking the deciding step toward a continuance of the war. The Russian and Japanese Governments were actuated also in this conservative course by a realization of the condemnation which they would risk from the civilized world if they rejected the plan which the President is now urging with all his might and main. Had it not been for the influence of the President the Portsmouth conference would have ended to-day and the war would have gone on.

To their high regard for Mr. Roosevell and their desire to show appreciation for the friendship of the United States must be attributed the conciliatory spirit which has been shown by the Japanese in offering to sell back the northern part of Sakhalin Island to the Russians for an amount approximating \$600,000,000. The President was greatly pleased over this action of the Tokio Government and has not hesitated to say so to the Russians, as was indicated in the Portsmouth despatches printed in THE SUN this morning. He spoke of the Japanese proposal as "moderate," this being the exact word used, and showed that he believed it should be

A RUSSIAN OFFER.

Since then he has devoted his efforts almost entirely to an attempt to bring the Russians to make concessions, and the influence which he is wielding was demonstrated again to-day through the suggestion by the Czar's representatives of a willingness on their part to cede the entire island of Sakhalin to Japan if the latter Government would waive all claim to indemnity. It cannot be said that this counter proposal to the Japanese suggestion with regard to the purchase of Sakhalin was offered officially. The understanding is that "it was made known to the Japanese plenipotentiaries."

WITTE AND KOMURA HAVE A TALK. To-day's formal conference was deoted almost entirely to perfecting the protocols that had not been compared and signed at the last meeting of the envoys, but afterward Mr. Witte and Baron Komura had a private conversation at which no others were present except the interpreters. Even Baron Rosen and Mr. Takahira did not attend.

The Russian and the Japanese envoys met at 8 o'clock this afternoon; after a scess since Wednesday. On that day Baron Komura had proposed that Russia buy back half of Sakhalin Island for \$600.-000,000, and Mr. Witte had said very plainly that the suggestion was not acceptable; although his words were not taken as formal and final.

Accordingly the three days recess was agreed upon to enable the Russians to consider the situation and determine, if art of the neutral Powers that the belliger- advisable, upon a counter proposal. When the envoys met again to-day at the Portsmouth Navy Yard they started in without delay to finish the three protocols of previous sittings that had not been signed. The work of comparing the French texts made by the Russians and the English texts made by the Japanese occupied about an hour, and the protocols were then signed.

When the last signature had been affixed an awkward pause occurred, according to information obtained from one of those present, who is authority for the account

Evidently each side expected the other to make the next move. The understanding of the Japanese was that Mr. Witte would submit the counter proposal of Russia at this point, but he did not. Mr. Witte, however, relieved the situation by suggesting that a recess be taken for fifteen minutes and the Japanese readily agreed.

What was done during the recess has not been clearly explained, but when the time for reassembling came only Baron Komura and Mr. Witte appeared in the conference room. They talked for more than half an hour, and when their conference was over the announcement was made that the envoys had taken an adjournment until a clock on Monday afternoon.

JAPAN MAY MAKE ANOTHER PROPOSAL The motion that the adjournment be taken was made by Baron Komura, and

Mr. Witte promptly assented. In some quarters the fact that it was at the suggestion of the Japanese envoy that another session was arranged for is taken to mean that Japan will offer a new proposal to counteract Russia's willingness to cede Sakhalin if Japan does not insist upon an indemnity.

THE CZAB'S MESSAGE.

Emperor Nicholas, in response to the solicitation of President Roosevelt, has expressed a willingness to cede half the Island | are the best barometer of the market, have of Sakhalin to Japan and to pay liberally for the keep of the Russian prisoners in the hands of the Japanese. But he has refused to permit his representatives here to agree to the payment of a cent as indemnity.

The Russians regard this position of the Czar as final and they continue to declare that the conference will end unless the Japanese agree to accept this plan of adjustment or bring in a proposition which will not seek to have Russia pay punitive tribute to her enemy.

The most optimistic member of the Russian mission, who all along has held that peace was not an impossibility, declared tonight that the outlook was very black and

One Night to Chicage entieth Century Limited of the New York ace. Leave New York 2:50 P. M., arrive 50 next morning. The fastest thousand-in the world.—Ace.

RUSSIAN REFUSAL NO BLUK

REAL DESIRE AT ST. PETERSBUS THAT THE WAR GO ON.

With Half a Million Men in the Field t Czar Dare Not Buy Pence-Sakhalin

Proposal Could Only Bo Accepted I

Accompanied by an Alliance With Japan

ST. PETERSBURG, Aug. 26.—It seems almost useless to reiterate that Russia will not accept Japan's latest terms, which are described as her ultimatum. Telegrams from abroad indicate that a belief still exists in certain quarters that Russia will give way at the last moment. It is even elegraphed that a denial has been given to Foreign Minister Lamsdorff's emp statement that Russia will never pay a war contribution or cede territory. This denial is a technical one only. The statement was officially given out at the Foreign Office by Count Lamsdorff's representative, as originally cabled to THE SUN. It represented and still represents Russia's in-

flexible decision. The sooner it is recognized that the real desire of the Russian Government is that the war shall continue the sooner the world will understand the situation from a Rushalf a million men in the field to give battle he cannot buy peace. It is not pride alone that impels him to this course The penalty for yielding to Japanese pressure would be far more tangible than the sense of disgrace and dishonor. He day

not make peace, even if he desired to do so. The idea of a Russian bluff should finally be dismissed from consideration. If i existed it would, of course, be accompani by the belief that Japan would finally moderate her terms. No such hope or expectation exists here. Everybody here now expects the war to go on.

The possibilities of the usefulness of the Portsmouth conference are regarded so completely exhausted that expression of impatience are beginning to be heard for its definite closure. These come chieff from influential quarters which were most active in framing the terms of the national assembly manifesto and which have for policy the rallying of the orthodox peasantry to the throne. Their task may seem to be a herculean one under existing con ditions, but whatever course they adopt it has this significance, that it represents the minds of those who guide the Czar. They declare bluntly that the maximum that could be achieved by a last attempt to hold the conference together could only be that temporary patched up peace which both sides desire to avoid.

It is notable that the only circumstan in which they will consent to the loss of Sakhalin are if it is accompanied by Russo-Japanese alliance. To buy it back would be a mere deception. One of the most influential members of this party writes to-day as follows:

"Mither after this war Russia and Japas will be allies or the present war will only be a prelude to an incomparably greater se cannon at Sakhalin facing the mouth of the Amur would not be dangerous to us, but if these cannon are hostile then we must fight on to a final settlement. The compromise now offered of buying back Sakhalin is nothing but a plaster covering a sore which would grow deeper and deeper under it. The Russian nation not having sought the Manchurian adventure will not accept a rotten peace."

The Emperor's rescript issued to-day dition of the troops at Kraance-Selo, which he recently reviewed, is a return to the Czar's habit during the first stages of the war of periodically issuing thanks and en-couragement to commanding officers for their zeal in effecting mobilization of the

troops. The Russ declares that the payment o an indemnity by Russia would be a fession that she had lost all confidence in th Russian forces and would signify abandoment of the hope of victory. The Re adds: "Russia has not yet fallen to ! level of Byzantium, that she is forced

pay ransom." PRESIDENT HAS NOT GIVEN UP Continuing His Efforts to Bring Enver

OYSTER BAY, N. Y., Aug. 26.-The Predent, it is known, is still hopeful that the gloomy aspect of the Portsmouth conference will yet change to a brighter hue. He is still in communication with both the

Japanese and the Russian envoys. It is believed here that the President has within the last day or two made an important move in his efforts to secure peace, and that he has hope that this will vet been

who is now known to be Japan's confidential agent in this country, with more power perhaps than the Japanese Minister President Roosevelt has put a further proposal that Japan make more concessions to Russia. He is also, it is thought, continuing his efforts to influence Russia's movements, so far as concerns the peace

thanks to the President's energy, a great deal is yet bound to happen at Portsmouth.

EUROPE ABANDONS HOPE. Russia's Refusal to Accept Japan's Terms Believed' to Be Sincere.

Special Cable Despatch to THE SUR LONDON, Aug. 26.-The financial world, which clung the longest to the hopes of peace, turned in despair during the past few days, and Government securities, which been falling. The persistent belief that Russia was carrying on a game of bluff is the explanation of the optimism that has prevailed in the stock markets. It favored peace, and confidence that Russia would be willing to make terms when the idea was first mooted, that convinced most financiers that an agreement would finally be reached after the Russian envoys had exhausted every device to reduce Japan's

demands to a minimum. It was not unnatural under the circum stances that Russia's complete change of heart should be interpreted as mere blu and not until now has it been realized that her refusals are absolutely genuine. There are some even now who cling to the idea that a compromise will be reached at the last moment, but there is none in diplomatio circles who sees any chance of peace save in Japan's abandonment of her crucial demands. This, of course, is regarded as out of the question. Europe, therefore, is beginning to reconcile herself to a re-